

San Antonio Basin Water District

1005 S. Broadway - Santa Maria, California 93454

Phone: (805) 937-0511 - Fax: (805) 754-2874

Meeting Minutes

Board of Directors Regular Meeting

November 17, 2020 at 1:00 P.M.

Dial-in-number - 1-602-580-9349

Access Code – 6982471

Consistent with Executive Order N-29-20 suspending provisions of the Brown Act to allow for public meetings to be conducted remotely, the District will hold its regular Board of Directors meeting by teleconference. There will be no meeting site open to the public. Public participation is encouraged using the teleconference information referenced above.

1) Call to Order

The meeting was called to order at 1:05 p.m. by President Merrill.

2) Roll Call

The following directors were present, constituting a quorum for the transaction of business.

Directors Present:

Kevin Merrill

Randy Sharer

Craig Reade

Ken Hunter

Victor Schaff

Craig Reade – arrived about 1:34 pm

Members absent: None

Others in attendance Alan Doud – YoungWooldridge, Donna Glass - District Manager, Leta Spencer - Westchester Group Investment Management, Inc., Janice Battles and Ginalisa Tamayo - Jackson Family Winery.

- 3) Public Comment:** This portion of the meeting is set aside to provide the public an opportunity to bring to the attention of the Board members matters that are within the jurisdiction of the Board and that are not on today's agenda. No action will be taken on any matter discussed during this portion of the meeting. The total time allotted for this portion of the meeting may be limited to no more than 3 minutes per speaker.

There was no public comment.

4) Committee Report

A brief update was provided about the committee meeting and report.

a. Discussion and Possible Action on a Policy for Evaluating Requests for Assessment Changes

After a discussion about the committee report a **Motion** was made by Director Shafer to accept the committee recommendations, draft policy and draft landowner cover letter for Evaluating Requests for Assessment Changes as presented. **Motion seconded** by Director Hunter. *(Committee Report, policy and landowner letter attached)*

A roll call vote was taken and the motion carried.

AYES: Director Hunter, Merrill, Schaff, and Sharer.

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Reade

5) Adoption of Process for Appointing Directors and Alternate Directors to the San Antonio Basin GSA Board of Directors

A brief update was provided that the policy discussed and approved at the October meeting was being provide as a final draft for approval.

Motion was made by Director Hunter to accept the final draft policy for Appointing Directors and Alternate Directors to the San Antonio Basin GSA Board of Directors, as presented. **Motion seconded** by Director Sharer *(policy attached)*

A roll call vote was taken and the motion carried.

AYES: Director Hunter, Merrill, Reade, Schaff, and Sharer.

NOES: None; **ABSTAIN:** None; **ABSENT:** None

6) Consider Appointment of a Director and/or Alternate Director to the SABGSA Board

After a brief discussion a **Motion** was made by Director Hunter to appoint Dan Chabot as Director for the Cattle Category for the San Antonio Basin GSA Board of Directors. **Motion seconded** by Director Reade.

A roll call vote was taken and the motion carried.

AYES: Director Hunter, Merrill, Reade, Schaff, and Sharer.

NOES: None; **ABSTAIN:** None; **ABSENT:** None

7) Minutes

a. October 20, 2020 Board Meeting Minutes – Board Approval Needed

Motion was made by Director Hunter to approve the minutes as presented. **Motion seconded** by Director Schaff.

A roll call vote was taken and the motion carried.

AYES: Director Hunter, Merrill, Schaff, Reade and Sharer.

NOES: None; **ABSTAIN:** None; **ABSENT:** None

8) Financial Report

a. Review and Approve October Financial Statement

Donna Glass reported on the Financials. As of October 31, 2020 the SABWD has collected \$490,375.98 of the Assessments. The expenses YTD for July-October have been

\$220,507.90. This includes the \$165k transferred to the GSA. Net Income YTD has been \$494,868.08.

Motion was made by Director Merrill to approve the Financials as presented. **Motion seconded** by Director Reade.

A roll call vote was taken and the motion carried.

AYES: Director Hunter, Merrill, Schaff, Reade and Sharer.

NOES: None; **ABSTAIN:** None; **ABSENT:** None

b. Assessments Status Report

Donna Glass reported on the Assessment Status. As of Nov, 11th \$501,311 of the assessments have been collected. \$157,789 balance remains to be collected for 2020/2021. All income going forward toward will go toward future year's reserves. Landowners have until Feb 8, 2021 before the assessment becomes delinquent.

c. Consider Options and Possible Action for Reserve Funds Investment

Donna Glass reported on information gathered for 6 month CD's and Money Market Accounts. Community Bank of SM current rates for a 6 month CD over \$100,000.00 is 0.15 %. Money Market for \$100,000.00 is 0.20 %. Currently have approx. \$70k available that you might want to tie up in a CD. Bankrate.com lists CD rates for 6 months ranging from 0.30% - 0.60%. At 0.60% Total interest earned would be = \$299.55.

Also discussed was to consider approving a Reserve Investment Policy before making any investments.

Item was tabled until next year.

d. Review October GSA Financial Statement

Donna Glass reported on the GSA Financials. For review only, as of October 31, 2020 the SABGSA account has \$3,785 and \$24,991.47 in a MMKT account for a total of \$28,777. The expenses YTD have been \$132,156. They have received \$165k from the SABWD YTD. They have (2) pending grant payments due totaling \$42,080. Grant balance, including retention, left available is \$219,950.

e. Consider Recommendations to GSA on Amendment of GSA Fund Request Procedure

Donna Glass reported that a Fund Request Procedure was approved by the GSA on Sept 15th. The District reviewed and approved the procedure. At the last District meeting it was discussed to amend the timeline to receive the request. This would give the GSA more time to review their financials prior to making the request.

Motion was made by Director Merrill to approve the amendment to the Fund Request as presented. **Motion seconded** by Director Schaff.

A roll call vote was taken and the motion carried.

AYES: Director Hunter, Merrill, Schaff, Reade and Sharer.

NOES: None; **ABSTAIN:** None; **ABSENT:** None

f. Consider Approval of GSA Fund Request

Motion was made by Director Sharer to approve the transfer of funds request for \$50,000 to the GSA by the accountant, Carrie Troup. **Motion seconded** by Director Hunter.

A roll call vote was taken and the motion carried.

AYES: Director Hunter, Merrill, Schaff, Reade and Sharer.

NOES: None; **ABSTAIN:** None; **ABSENT:** None

9) Informational Items

a. Management/Administration Report

Donna Glass gave a brief update. Most updates were included during agenda items.

- The District joined the California Special Districts Association for \$186 and received notice that the membership has been extended for an additional year.
- Per a board member request, the District will be set up to start using Zoom for the January 2021 meeting.

b. Director Training Report

Donna Glass gave a brief update. Alan Doub also clarified that a Harassment course through a member's employment will count toward the requirement. However, the board members will still need to take AB 1234 Ethics course to meet their requirement. His office will be offering the course in December and it is available through Target Solutions as well.

c. Update on San Antonio Basin Groundwater Sustainability Agency

Director Sharer provided a brief update on the SABGSA progress on the GSP. Draft GSP documents will start being released for a 45 day comment period on the GSA website.

10) New Business— requests for items to be placed on next agenda.

No new business was requested

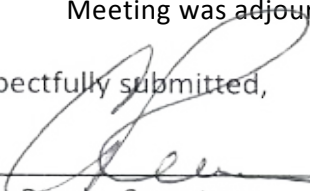
11) Next Meeting Date – December 15, 2020 and/or January 19, 2021

Motion was made and **seconded** to set the next meeting date for January 19, 2021

12) Adjournment

Meeting was adjourned by Director Merrill at 2:10 p.m.

Respectfully submitted,



Craig Reade, Secretary

Accepted:



Kevin Merrill, President

1-17-2021

Date

San Antonio Basin Water District

1005 S. Broadway - Santa Maria, California 93454

Committee Meeting Report

November 10, 2020 at 1:00 P.M.

An ad hoc Committee meeting was called to order at 1:07 p.m. by Kevin Merrill, Committee Chair, at the Los Alamos Community Service District Office, 82 North Saint Joseph St, Los Alamos, California 93440

The following Committee Members were present: Kevin Merrill, Randy Sharer and Leta Spencer (via-phone).

Absent: None

Others in attendance were staff members and recognized as attending in an advisory position only: Kari Wagner - Wallace Group, Alan Doud – YoungWooldridge (via phone) and Donna Glass - District Manager.

Objective

At the San Antonio Basin Water District meeting held on October 20, 2020 a request was made to hold a Special “*in person*” Board Meeting to discuss and come up with a plan to verify/define irrigated acres for future assessment rolls. Due to Covid 19 it became too complicated to hold an “*in person*” board meeting. A Committee was then formed to make the recommendation to the Board regarding a plan to verify/define irrigated acres for future assessment rolls.

Background

At the October 20, 2020 Board meeting there was a lengthy discussion and numerous questions about how the irrigated acres would be defined in future assessment rolls. The attached Discussion Points were reviewed at the committee meeting.

Recommendation

After discussion between the Committee Members and advisory staff about various options, challenges and added expenses of allowing Landowners to make changes to their irrigated acres each year the committee is recommending developing a policy that includes:

- Change orders will be accepted under limited exceptions. Landowners will be encouraged to look at their irrigated acres long term, i.e. 5 years. If land is irrigated in one year it might not be irrigated the next year (and vice versa) because of fallowing and crop rotations, among other reasons. As long as the possibility exists the acres could be irrigated it will be considered irrigated acres for assessment purposes.
- Landowners will be given an opportunity to reduce/increase their acreage before each fiscal year budget in a January/February timeframe for the following reasons:
 - Property owners that can demonstrate non-irrigated land, no well and/or no ability to irrigate the land on the property will be corrected to all non-irrigated and re-assessed accordingly. Documentation of changes will be required and there may be a charge for the Wallace Group to verify and change the assessment roll.

- Property ownership changes and changes in irrigated land with documentation provided.
- Interior roads and alleyways are included in the total irrigated calculations.
- Irrigated lawns and gardens for private residences are included in the total irrigated calculations.
- Any Landowner that sends in a payment based on recalculating and reducing their irrigated acres will be sent a letter with an updated invoice crediting the partial payment and showing the remaining balance as still due.
- A cover letter will go out with the change order request in a January/February timeframe explaining the long term goal of the District's assessment collection.

Meeting was adjourned by Kevin Merrill, Committee Chair, at 2:20 p.m.

Respectfully submitted,

Kevin Merrill, Committee Chair

San Antonio Basin Water District

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Policy for Evaluating Requests for Assessment Changes

Adopted November 17, 2020

PURPOSE

This *Policy for Evaluating Requests for Assessment Changes* (this “Policy”) is intended to provide guidelines for the Board of Directors of the District when considering requests from District landowners for a change in the amount of the District’s Assessment levied on a landowner’s property. The District has developed this policy in the interest of maintaining fair, consistent and orderly administration of District finances.

BACKGROUND

Upon its formation the District adopted and levied a special benefit assessment (the “Assessment”). The District landowners approved the Assessment pursuant to the Assessment Ballot Proceeding that the District conducted consistent with the requirements of Proposition 218. The purpose of the Assessment is to fund the District’s operations and activities, which mostly pertain to the implementation and enforcement of the Sustainable Groundwater Management Act through the District’s participation in the San Antonio Basin Groundwater Sustainability Agency.

The District Board commissioned and approved an “Engineer’s Report” in connection with its adoption and levy of the Assessment. The Engineer’s Report explained the various categories of parcels within the District and how the parcels in each category would be assessed. Two of those categories are Irrigated Agriculture and Non-Irrigated Agriculture. Lands within each category are assessed at different rates. The Engineer’s Report provides that the Board will develop a process to adjust assessments from time to time based on variations in land use on particular parcels.

POLICY GUIDELINES

Landowners may request an Assessment adjustment based on change in land use no later than February 28th of each year. The Board will evaluate and render a decision on such requests in April of each year. The Board shall give full consideration to requests and take into account the facts and circumstances related to the subject parcels. The Board intends to grant reductions in Assessments based on change in land use from Irrigated Agriculture to Non-Irrigated Agriculture where the requesting landowner can demonstrate that the subject parcels either (i) (a) have not been irrigated in the past several years or (b) have recently been fallowed, *and* (ii) in either case are not likely to or are not capable of being irrigated in the near future. By way of example only, and without committing the Board to a determination regarding a particular request, the Board will consider granting requests for Assessment reductions in the following cases:

1. A landowner can demonstrate that parcels subject to Irrigated Agriculture Assessments are non-irrigated and were improperly designated by the District based on faulty data such as inaccurate satellite imagery, inaccurate Assessor Parcel Map boundaries, well location, and the like.
2. A landowner can demonstrate that the landowner recently purchased the subject parcels, and can further demonstrate actions taken to substantially alter the land use on a long-term basis from Irrigated to Non-Irrigated.
3. A landowner can demonstrate that the subject parcels that were previously Irrigated have been fallowed, and that substantial changes to the water distribution systems serving the subject parcels have become altered in a manner that the subject parcels are not likely to return to Irrigated status in the near future.
4. A landowner can demonstrate a change in zoning regulations that would preclude the use of the subject parcels in a manner that would qualify them for designation as Irrigation Agriculture for purposes of the Assessment.

In the absence of a demonstrable showing that the subject parcels have become and will remain Non-Irrigated for an extended period of time, the Board will not grant a request for a reduction in the Assessment. In no event will the Board authorize reductions in Assessments to account for roads, ditches, landscape, and similar uses of land that occur within and among parcels properly designated as Irrigated Agriculture.

The District will invoice the requesting landowner for the actual costs of work performed by the District's engineer consultant to verify requests and make adjustments to the District's Assessment Roll. The requesting landowner must remit payment to the District for such costs before the District will grant a request for an Assessment reduction.

In the event that the District grants a request for a reduction in the Assessment and the subject parcels are later returned to Irrigated Agriculture, the District will reinstate the Irrigated Agriculture Assessment retroactive to the beginning of the Assessment year in which the land use conversion occurs.

[DATE]

[Name]

[Address]

[City, State, Zip]

Subject: San Antonio Basin Water District: Policy for Evaluating Requests for Assessment Changes

Dear District Landowner:

After thorough deliberation over the course of multiple public Board and committee meetings, and with input from District landowners, the Board of Directors of the San Antonio Basin Water District has adopted a *Policy for Evaluation of Requests for Assessment Changes*.

A copy of the Policy is enclosed for your review. The Policy provides that District landowners will have the opportunity to submit a request for a reduction in the District's Assessment on the basis of a change in land use on affected parcels. If land you own in the District that the District has identified as irrigated land has been or will soon be converted to non-irrigated land, and you would like the Board to consider a change to your Assessment, please submit your request to the District by March 22, 2021. The District will evaluate your request based on the terms of the Policy.

Please let us know if you have questions or concerns.

Very truly yours,

Kevin Merrill